will not make any off-the-cuff remark and that he will make a considered statement. He said that he will make it at the appropriate time. We took him at his words. We quietly sat down. But, yesterday, when I went back from here, all the channels were carrying his statement. Sir, the media today has carried his statement. He can feel free to make a statement outside the House, but he will not take the Parliament of India into confidence. Sir, this is a serious matter. *(Interruptions)*

SHRI SANTOSH BAGRODIA (Rajasthan): Sir, has he given notice? *(Interruptions)*

SHRI SHAHIO SIDDIQUI (Maharashtra): Sir, it is a question of privilege.

श्री सुरेश पचौरीः सर, हर रोज प्रश्नकाल के दौरान खड़े हो जाते है। ...(**व्यवधान**)... या तो प्रश्नकाल बंद दिया जाए।

प्रो0 राम देव भंडारी (बिहार)**:** सर, यह क्वैश्चन आवर है और आपकी बिना परमिशन के बोल रहे है। ...(**व्यवधान**)...

श्री सभापति : आप यह अखबार दिखाना बंद करें।...(**व्यवधान**)...

SHRI YASHWANT SINHA: Sir, how can we feel that everything is normal? *(Interruptions)* Sir, it was a day on which, on his own, he should have come with a *suo motu* statement before both the Houses of Parliament. *(Interruptions)* But instead of doing that...*(Interruptions)*...

श्री सभापति : देखिए , आप मेरी बात सुनें। आपने पाइंट रेज कर दिया, अब क्वैश्चन चलने दीजिए। जहां तक स्टेटमेंट का प्रश्न है, चार बजे या साढ़े चार बजे, जो भी एप्रोपिएट टाइम होगा, स्टेटमेंट होगा, उस समय आप बात कर लेना । क्वैश्चन नंबर 541.

ORAL ANSWERS TO QUESTIONS

Creation of Uniform Force for Income Tax Investigations Wing

*541. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering creation of a unform force for the Income Tax Investigation Wing on the lines of Customs and Excise

Departments to lend more authority and power for its field staff during , surveys and raids;

(b) if so, whether a part of the force would be supplied with weapons; and

(c) whether Government would also fine tune its non-intrusive methods of investigations/surveys for betterment of tax collection?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) There is no proposal at present with the Government to create a uniformed force in the Investigation Wing of the Income-tax Department.

(b) Not applicable, in view of reply to (a) above.

(c) The Income-tax Department is laying greater emphasis on non-intrusive methods of investigation for improving tax compliance. To this end, the Government have introduced the scheme of Annaul Information Returns (AIR) from financial year 2005-06 by making it obligatory upon specified persons to file an Annual Information Return in respect of specified high value transactions entered into or registered before them from 1.04.2004 ohwards. Information contained in these returns is being used for identifying non-filers and for selecting cases for scrutiny. The Government is utilizing the information.contained in the monthly statements filed by banks under the Banking Cash Transactions Tax (BCTT) for unearthing tax evasion. The Department is also selecting cases for scrutiny on the basis of objective criteria based on specified financial and tax-related parameters.

SHRI B.K. HARIPRASAD: Mr. Chairman, Sir, the hon. Finance Minister, in his Budget Speech, had assured the nation that he would be introducing many administrative reformsln the Department of Revenue like Tax Information Network, that is, TIN and the On Line Tax Accounting System, that is, OLTAS. Whether these facilities are in place and fully operational by now. Sir, the CAG has adversely commented upon more than 700 cases of under assessment to the extent of Rs. 3,500 crores during 2004-05 involving incorrect application of tax rates, excess

allowances on business expenses, excess exemption and even arithmetical mistakes. Sir, i would like to know the reasons thereof.

SHRI P. CHIDAMBARAM: Sir, the total direct taxes collection in this country, both under PIT and under CIT, is approximately Rs. 1,65,000 crores. It is possible that some assessment orders are wrong. It is possible that in some assessments, there is an under assessment; in some, there is an over assessment. There is a quasi-judicial procedure under the Income-Tax Act, in which these assessments are set right. Whatever audit objections the CAG finds can be classified into two categories. One is system defects, which we will address. The other is individual assessment orders where the assessing officer has gone wrong, which will be corrected in the quasi-judicial procedure. We will take note of that, while we review the work of that office or that zone or that division, I don't think the CAG's Audit Report on a certain number of assessments has anything to do with the main question that has been raised here. This deals with raising a uniformed force.

SHRI B.K. HARIPRASAD: No, Sir; the third part of my question deals with this. It says about 'non-intrusive methods'. Sir, you have been saying in most of your Budget Speech that you would like to expand the tax net.

My second supplementary is this. Again, the CAG has made some adverse comments, which have appeared in the newspapers today, regarding the search and- seizure operations in the country. I want to know whether the revenue collected in these States in the search and seizure operations, in the last four years, as a percentage of the total revenue collection, has declined from 1.57 percentage, in 2002, to 1.30 percentage, in 2004-05.

SHRI P. CHIDAMBARAM: Sir, I have already said that search and seizures are provided for in the Income-Tax Act. These, in my view, are blunt instruments. The better instruments are non-intrusive methods, and we have, over the years, evolved a number of non-intrusive methods. One is TDS. One is OLTAS. Now, the AIR, and, in a way, the BCTT These non-intrusive methods have given us a wealth of information. We will follow up on that wealth of information and zero in on the tax evaders or on those who are not paying as much tax as they should. But we cannot give up search and seizure. ...*(Interruptions)*...*We* cannot give up

search and seizure. We have to keep the power of search and seizure. That has to be exercised very sparingly, I mean, in a very selective manner, subject to safeguards. But I cannot give up the power of search and seizure.

SHRI SANJAY RAUT: Sir, I am raising, in this House, a very important question. I would like to know from the hon. Finance Minister whether the Government's attention has been drawn to the recent CAG Report that the Income-Tax Department is spending six times more than the amount received from raids/surveys in the country. I want to know the Government's response in this regard and the steps taken.

MR. CHAIRMAN: Come to the question ...*(Interruptions)*... come to the question.

SHRI SANJAY RAUT: Sir, it is regarding this question only.

MR. CHAIRMAN: Regarding this question, we know everything. ...*(Interruptions)*..

SHRI SANJAY RAUT: What is the response of the Government regarding...

SHRI P. CHIDAMBARAM: Regarding what?

SHRI SANJAY RAUT: Sir, this is the question. ...*(Interruptions)*...

SHRI P. CHIDAMBARAM: Sir, I don't find a question in that. ...*(Interruptions)*...

SOME HON. MEMBERS: Please put the question again.

SHRI SANJAY RAUT: Sir, I want to know whether the Government's attention has been drawn to the recent CAG Report that the Income-Tax Department is spending six times more than the amount received through raids/surveys in this country.

SHRI P. CHIDAMBARAM: Sir, we are comparing apples and oranges! India's tax collection cost is among the lowest in the world. It is about 68 paise in a hundred rupees. You cannot take the entire expenditure of the Income-Tax Department and, then, say, "That expenditure must be compared with what is recovered in the raids!" The entire expenditure of the Income-Tax Department is used for collecting revenues in the normal course. You cannot compare apples and oranges. Our tax

collection cost is among the lowest in the world. In fact, if I am right, it is theJowest in the world. It is about 68 paise in a hundred rupees.

SHRI MOTILAL VORA: Sir, I would like to know from the hon. Minister, regarding the scheme of Annual Information Return, which has been in operation for the year 2005-06, by making it obligatory, what is the response, and what action has been taken, so far, against the persons who have not given the information. What is the response?

SHRI R CHIDAMBARAM: Sir, the response has been splendid, not complete but very good. It is the first year in which he introduce AIR. Some people have difficulty in understanding the obligation and in complying. The time has been extended for some, but action is being taken. But we have got, so far, 3,036 Returns; from banks, 1,504; from Registrars and Sub-Registrars, 1,223; from Mutual Fudns, 42; from the Reserve Bank of India, 18; from Companies, 249; making a total of 3,036 Returns. The number of transactions reported in these Returns is a huge number, 18,63,490. There is a wealth of information. This information is being mined, analysed, and action is being taken.

श्री राम नारायण साहू: माननीय सभापति महोदय, क्या माननीय मंत्री जी यह बताने की कृपा करेंगे कि यदि आयकर विभाग अपनी फोर्स बनाएगा, तो क्या वह विभागीय भर्ती के माध्यम से होगा या अन्य विभागों डेपुटेशन पर उन्हें लेने क विचार है?

SHRI R CHIDAMBARAM: Sir, there is no proposal to raise a uniformed force.

देश में " वैट" का लागू किया जाना

*542 **श्री कांजीभाई पटेल** :
श्री जेसुदासु सीलम:

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क): देश के विभिन्न राज्यों में मुल्यवर्धित कर " वैट" को किस-किस तारीख से लागू किया गया है ऐसे राज्यों के नाम क्या है;

(ख)जिन राज्यों में "वैट" को लागू नहीं किया गया है उन राज्यों में किन मुद्दों को लेकर वैट का विरोध हो रहा है; और

(ग)इसे सम्पूर्ण देश में लागू करने के लिए क्या कार्रवैइ की जा रही है?

...(**व्यवधान**)...

† सभा में यह प्रश्न श्री कांजी भाई द्वारा पूछा गया।